

2605(b)(5)
2605(c)(1)(B)

Describe how you will assure that the highest benefits go to households with the lowest incomes and the highest energy costs or needs in relation to income, taking into account family size. Please describe benefit levels or attach a copy of your payment matrix.

A point value will be assigned to each of the following criteria:

Tier I household Tier I households have gross monthly income at or below 130% of the federal poverty level	2 points
Tier II household Tier II households have gross monthly income between 130% of the federal poverty level and 60% of the State's Median Income (SMI) up to and including 10 person households. For households with 11 or more persons, gross monthly income is at or below 150% of the federal poverty level	1 point
One or more vulnerable population member(s) Vulnerable population includes children less than 6 years of age, individuals with disabilities and individuals age 60 or older.	1 point
Energy Burden Ratio: Up to 5.0% 5.1% to 10.0% 10.1% to 20% 20.1% to 30% 30.1% and over Energy Burden Ratio (continued) Energy burden is defined as a household's energy expenditures divided by the income of the household. A Statewide Energy Costs Proxy has been established. In establishing a household's energy burden ratio, the statewide energy costs proxy (which varies by fuel type and household size) will be utilized. Households that could possibly fall into a higher energy burden ratio category, if actual costs were used, will be given the opportunity to document actual costs for inclusion in the ratio determination.	1 point 3 points 4 points 5 points 6 points

Using the above point structure, the least total points a household could accumulate would be two:

- Tier II household 1 point
 - Energy burden up to or equal to 5% 1 point
- 2 points total

The largest possible point total would be nine:

- Tier I household 2 points
 - One or more vulnerable household member 1 point
 - Energy burden ratio greater than 30% 6 points
- 9 points total

A standard statewide point value will be set depending on the funding ultimately authorized for FFY 2009 and a household's benefit will be established by multiplying the household's total points by the standard point dollar value. For example:

Ms. B, a Family Assistance recipient, and her two young children (ages two and four) rent an apartment and are responsible for payment of a natural gas primary heating bill. Ms. B's energy burden ratio is determined to be 13%. Ms. B's total point value is seven.

- 2 points – Tier I household
- 1 point – One or more vulnerable household member
- 4 points – Energy burden ratio between 10.1% - 20%
- 7 points total

If the statewide per point dollar value was set at \$65,

Ms. B's HEAP benefit would be \$455 (7 points x \$65 = \$455).

New York State intends to set the point value used in the calculation of regular HEAP benefits at \$65 per point, assuming a national appropriation of at least \$1.7 billion. In addition, to ensure that the regular HEAP benefit purchases a minimum delivery of oil, propane and/or kerosene in light of current high prices for these fuel types, otherwise HEAP eligible households heating with oil, kerosene and/or propane will be eligible for a supplemental HEAP benefit in an amount equal to the difference between \$800 and the amount provided by the above point structure.

Statewide Energy Costs Proxy Development Process

An essential factor in the 2008-2009 HEAP regular heating benefit determination process is the identification of a HEAP eligible household's energy burden ratio. Energy burden ratio has been defined as a household's energy expenditures divided by the income of the household. In an effort to retain its ability to serve a higher percentage of its potentially eligible population, New York State has developed a mechanism to allow the automatic determination of a household's energy burden ratio by utilizing an energy costs proxy for each household that varies by fuel type and household size. While the statewide energy costs proxy will be routinely utilized, provision has been made for a household to document actual costs in situations where those costs exceed the standard proxy amount and the household would qualify for a larger benefit because of a resulting higher energy burden ratio.

Using New York data from the 2000 Census – Public Use Microdata Sample (PUMS), energy costs were calculated for households in three categories of heating fuels: 1) oil, kerosene or propane; 2) natural gas, coal or wood; and 3) electric. Because the 2000 PUMS data reflect prices from 1999, the ratio of 2006 to 1999 unit energy prices in New York was used to update the energy costs. A linear regression of energy costs on household size was performed to allow for a smoother transition from smaller to larger household sizes. The costs for the oil, kerosene or propane category were further refined based on the monthly prices reported by NYSEDA for 2007-2008.

The energy cost estimates for different types of electric utilities were adjusted by applying the percentage by which the Energy Information Administration 2006 average revenue per kWh for each electric utility in New York is relative to the New York average.

Statewide Annual Energy Cost Standard

Household Size	Primary Fuel Type			
	Oil, Kerosene, Propane	Natural Gas, Wood, Coal	Municipal Electric	PSC Regulated Electric and the Villages of Greenport, Freeport and Rockville Center
1	\$4,955	\$2,957	\$590	\$2,293
2	5,393	3,201	656	2,494
3	5,831	3,445	723	2,681
4	6,268	3,689	791	2,982
5	6,706	3,932	858	3,302
6	7,143	4,176	926	3,628
7	7,581	4,420	992	3,955
8+	8,019	4,664	1,059	4,281

REGULAR HEAT INCLUDED COMPONENT

\$40/\$50 Heat Included Benefit

Households that are not directly responsible for the payment of their primary heating costs but that pay for heat through an undesignated portion of their rent and are in an eligible living arrangement other than one of the living arrangements listed below under "New \$1.00 Heat Included Benefit" will receive a benefit based on a two-tier payment structure. A household's tier is determined based on the household's gross monthly income taking into account household size.

Tier I households (gross monthly income at or below 130% of the federal poverty level), the lowest income grouping, will receive a heat included benefit of \$50. Tier II households (gross monthly income between 130% of the federal poverty level and 60% of the State Median Income) will receive a heat included benefit of \$40. In this manner, heat included households in the lowest income grouping, which generally pay a higher percentage of their income for indirect heating costs, will receive a higher benefit than those heat included households in the higher income grouping (Tier II).

New \$1.00 Heat Included Benefit

In an effort to enhance participation and benefits for Food Stamp recipients, starting in FFY 2009, a new HEAP annual regular benefit of \$1.00 will be available for income eligible households that make undesignated payments for heat in the form of rent in the following living arrangements:

- government subsidized housing with heat included in the rent;
- publicly operated or State-certified private nonprofit residential drug or alcoholic treatment facilities;
- private nonprofit residential drug or alcoholic treatment facilities that are authorized as a food stamp retailer by the United States Department of Agriculture or are in receipt of a letter from the certifying State agency stating that the facility operates to further the goals of Title XIX;
- publicly operated or State-certified private nonprofit enriched housing;
- publicly operated or State-certified private nonprofit residential group living facilities serving no more than 16 residents;
- publicly operated or State-certified private nonprofit supervised or supportive living arrangements; and

- State-Operated Community Residences.

Households residing in these seven living arrangement categories are only eligible for a maximum annual HEAP regular benefit of \$1.00 and are not eligible for emergency HEAP or any other benefit under HEAP, except that eligible households in government subsidized housing with heat included in the rent that pay a supplier directly for heat-related utility service may be eligible for a HEAP heat-related emergency benefit if such benefit is necessary to resolve the heat-related energy crisis of the household.

By Federal Food Stamp regulation, receipt of a HEAP benefit, regardless of the amount of the HEAP benefit, enables FS applicants or recipients to maximize the FS Standard Utility Allowance (SUA). Households receiving the \$1.00 HEAP benefit who are also applicants or recipients of FS will receive the highest FS SUA. Using the highest allowable SUA in the FS benefit calculation may make an applicant eligible for FS who would not otherwise be eligible and may significantly increase FS benefits for many households. The annual \$1.00 HEAP benefit will qualify the household for the maximum FS SUA for twelve months.